

## **Senate Bill No. 1779**

### **CHAPTER 285**

An act to amend Sections 89304, 89701, 89702, 89704, 90000, 90001, and 90011 of, to add Section 89703 to, and to repeal Section 89702.1 of, the Education Code, relating to the California State University, and making an appropriation therefor.

[Approved by Governor August 31, 2000. Filed with  
Secretary of State September 1, 2000.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

**SB 1779, Johnston.** California State University.

(1) Existing law establishes the California State University and its various campuses under the administration of the Trustees of the California State University. The existing State University Revenue Bond Act of 1947 authorizes the trustees, among other things, to utilize the proceeds of various fees, rents, or other charges, including fees relating to the construction of student body centers, parking and other transportation facilities, and student health facilities, and fees charged for extension programs and other self-supporting instructional programs, as a revenue source to repay bonds issued by the trustees to fund the construction of these facilities. The proceeds of these fees, rents, and other charges are continuously appropriated to the trustees for their respective purposes.

This bill would authorize the trustees to pledge revenues from each of these prescribed fees, rents, or other charges to fund the construction of all facilities authorized to be constructed under the bond act. To the extent that this bill would authorize the trustees to expend the proceeds of these fees, rents, and other charges for new purposes, the bill would constitute an appropriation. The bill would also authorize the trustees to prescribe student housing rental rates and fees, and to pledge revenues from these fees and charges for the purposes of the bond act.

(2) Existing law authorizes the trustees to prescribe a fee to provide for the acquisition, construction, and improvement of student health facilities, and requires that all capital outlay projects in excess of \$65,000 to be constructed with revenue from this fee be approved by the Legislature.

This bill would delete the requirement that these capital outlay projects be approved by the Legislature.

(3) Existing law requires that any revenue from fees for health services and health facilities maintenance collected by the Trustees of the California State University in the 1993–94 and 1994–95 fiscal

years be deposited in the State University Facilities Revenue Fund and appropriated for operation of student health centers.

This bill would delete this provision.

(4) The bill would make nonsubstantive technical and conforming changes in various provisions of law relating to the fiscal affairs of the California State University.

Appropriation: yes.

*The people of the State of California do enact as follows:*

SECTION 1. Section 89304 of the Education Code is amended to read:

89304. (a) Upon the favorable vote of two-thirds of the students voting in an election held for the purpose at a state university, in the manner the trustees shall prescribe, and open to all regular students enrolled in the state university, the trustees are authorized to establish, in addition to any other student fee the trustees are authorized to establish, a building and operating fee, not to exceed forty dollars (\$40) per student per academic year, which shall be required of all students attending the state university. All unexpended funds and money collected by any state university under this section shall be available for financing, operating, and constructing a student body center. All unexpended funds collected by any state university under this section shall be deposited or invested in trust by the chief fiscal officer of that state university in any one or more of the following ways:

(1) Deposits in trust accounts of the centralized treasury system pursuant to Sections 16305 to 16305.7, inclusive, of the Government Code or in the California State University Trust Fund or in a bank or banks whose accounts are insured by the Federal Deposit Insurance Corporation.

(2) Investment certificates or withdrawable shares in state-chartered savings and loan associations and savings accounts of federal savings and loan associations, if the associations are doing business in this state and have their accounts insured by the Federal Savings and Loan Insurance Corporation.

(3) Purchase of any of the securities authorized for investment by Section 16430 of the Government Code or investment by the Treasurer in those securities.

(4) Participation in funds that are exempt from federal income tax pursuant to Section 501(c)(3) of Title 26 of the United States Code and that are open exclusively to nonprofit colleges, universities, and independent schools.

(5) Investment certificates or withdrawable shares in federal or state credit unions, if the credit unions are doing business in this state and have their accounts insured by the National Credit Union Administration and if any money so invested or deposited is invested



or deposited in certificates, shares, or accounts fully covered by that insurance.

(b) All revenues received by the trustees under this section may be pledged for the acquisition, construction, and improvement of student body center projects pursuant to the State University Revenue Bond Act of 1947 (Article 2 (commencing with Section 90010) of Chapter 8), and may also be pledged to supplement other revenue funded projects relating to debt obligations issued by the trustees pursuant to the State University Revenue Bond Act of 1947. Nothing in this section shall be construed as altering or permitting a change in the pledge of student body center fee revenues established in connection with debt obligations issued prior to the enactment of this section and pursuant to the State University Revenue Bond Act of 1947.

(c) The chief fiscal officer of each state university shall be custodian funds collected by a state university under this section, and shall provide the necessary accounting records and controls thereof.

The state university shall be reimbursed from these funds in an amount to cover the cost of the custodial and accounting services provided by the state university in connection with these funds.

(d) The funds collected by a state university under this section may be expended by the custodian only upon the submission of an appropriate claim schedule by an elected representative of the student body or his or her appointee.

SEC. 2. Section 89701 of the Education Code is amended to read:

89701. (a) The trustees are authorized to acquire, pursuant to the Property Acquisition Law (Part 11 (commencing with Section 15850) of Division 3 of Title 2 of the Government Code) or by lease or other means, real property and to construct, operate, and maintain motor vehicle parking facilities and other transportation facilities thereon for state university officers, employees, students, or other persons. The trustees may prescribe the terms and conditions of the parking, and of parking on facilities existing on the effective date of this section, including the payment of parking fees in the amounts and under the circumstances determined by the trustees. Varying rates of parking fees may be established for different localities or for different parking facilities and for the purposes authorized by subdivision (b). In determining rates of parking fees, the trustees may consider the rates charged in the same locality by other public agencies and by private employers for employee parking, the rates charged to students by other universities and colleges.

(b) (1) Except as otherwise provided in this section, revenues received by the trustees from any of the motor vehicle parking facilities, as well as from all parking facilities existing on the effective date of this section, may be transmitted to the Treasurer and, if transmitted, shall be deposited by that officer in the State Treasury

to the credit of the State University Parking Revenue Fund, which is hereby created.

(2) All revenues received by the trustees under this section may be pledged for the acquisition, construction, and improvement of parking and other transportation facilities, and may also be pledged to supplement other revenue funded projects relating to debt obligations issued by the trustees pursuant to the State University Revenue Bond Act of 1947. Nothing in this section shall be construed as altering or permitting a change in the pledge of parking fee revenues established in connection with debt obligations issued prior to the enactment of this section and pursuant to the State University Revenue Bond Act of 1947.

(3) All revenues received by the trustees from parking facilities, to the extent not pledged in connection with bonds or notes issued pursuant to the State University Revenue Bond Act of 1947, are hereby appropriated, without regard to fiscal years, to the trustees for the acquisition, construction, operation, and maintenance of motor vehicle parking facilities on real property acquired hereunder or on real property otherwise under the jurisdiction of the trustees, and for the study, development, enhancement, operation, and maintenance of alternate methods of transportation for officers, students, and employees of the California State University.

(4) The trustees shall allocate the funds for the construction of parking facilities for each of the California State University campuses only after programs incorporating alternate methods of transportation have been thoroughly investigated and considered, as determined by the alternative transportation committees of each campus and the trustees, in consultation with students and local government officials.

(5) Moneys in the State University Parking Revenue Fund may be invested by the Treasurer, upon approval of the trustees, in those eligible securities listed in Section 16430 of the Government Code. All interest or other earnings received pursuant to the investments shall be deposited to the credit of the State University Parking Revenue Fund.

(c) The Legislature, by this section, does not intend to authorize the institution of a private parking program unrelated to state purposes in competition with private industry.

(d) If any provision of this section is in conflict with any provision of a memorandum of understanding reached pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1 of the Government Code, the memorandum of understanding shall be controlling without further legislative action, except that if one or more provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 3. Section 89702 of the Education Code is amended to read:

89702. (a) The Trustees of the California State University may acquire, pursuant to the Property Acquisition Law (Part 11 (commencing with Section 15850) of Division 3 of Title 2 of the Government Code) or by lease or other means, real property and may construct and improve student health centers entirely or in part by the use of funds acquired pursuant to this section.

(b) The trustees may prescribe under Section 89700 a fee to provide for the acquisition, construction, and improvement of student health center facilities, in the amounts and under the circumstances as may be determined by the trustees.

(c) (1) Except as otherwise provided in this section, revenues received by the trustees from the student health center facilities fee may be transmitted to the Treasurer and, if transmitted, shall be deposited by that officer in the State Treasury to the credit of the State University Facilities Revenue Fund, which is hereby created.

(2) All revenues received by the trustees under this section may be pledged for the acquisition, construction, and improvement of student health facilities projects pursuant to the State University Revenue Bond Act of 1947 (Article 2 (commencing with Section 90010) of Chapter 8), and may also be pledged to supplement other revenue funded projects relating to debt obligations issued by the trustees pursuant to the State University Revenue Bond Act of 1947. Nothing in this section shall be construed as altering or permitting a change in the pledge of student health facility fee revenues established in connection with debt obligations issued prior to the enactment of this section and pursuant to the State University Revenue Bond Act of 1947.

(3) All revenues received by the trustees from the facilities fee, to the extent not pledged in connection with bonds or notes issued pursuant to the State University Revenue Bond Act of 1947, are hereby appropriated, without regard to fiscal years, to the trustees for the acquisition, construction, and improvement of student health centers on real property acquired pursuant to this section or on real property otherwise under the jurisdiction of the trustees.

(4) Moneys in the State University Facilities Revenue Fund may be invested by the Treasurer, upon approval of the trustees, in those eligible securities listed in Section 16430 of the Government Code. All interest or other earnings received pursuant to the investments shall be deposited to the credit of the State University Facilities Revenue Fund.

SEC. 4. Section 89702.1 of the Education Code is repealed.

SEC. 5. Section 89703 is added to the Education Code, to read:

89703. (a) The trustees may prescribe student housing rental rates and fees to provide revenues for student housing programs in the amounts and under the circumstances that are determined by the trustees.

(b) (1) The trustees may pledge all or any part of student housing revenues in connection with bonds or notes issued pursuant to State University Revenue Bond Act of 1947 (Article 2 (commencing with Section 90010) of Chapter 8), in which case the revenues shall be deposited, transmitted, and used in the manner provided by that act.

(2) All revenues received by the trustees from housing rental rates and fees under this section may be pledged for the acquisition, construction, and improvement of student housing projects, and may also be pledged to supplement other revenue funded projects relating to debt obligations issued by the trustees pursuant to the State University Revenue Bond Act of 1947. Nothing in this section shall be construed as altering or permitting a change in the pledge of housing rental revenues established in connection with debt obligations issued prior to the enactment of this section and pursuant to the State University Revenue Bond Act of 1947.

SEC. 6. Section 89704 of the Education Code is amended to read:

89704. (a) Notwithstanding any other provision of law, revenues received by the Trustees of the California State University from extension programs, special session, and other self-supporting instructional programs, including but not limited to, fees and charges required by the trustees, may be transmitted to the Treasurer and, if transmitted, shall be deposited by that officer in the State Treasury to the credit of the State University Continuing Education Revenue Fund, which is hereby created, and which is hereby designated as successor to the State College Extension Program Revenue Fund.

(b) All revenues are hereby appropriated, without regard to fiscal years, to the trustees for the support and development of self-supporting instructional programs of the California State University. However, proposed expenditures or obligations to be incurred during any fiscal year from the State University Continuing Education Revenue Fund, other than expenditures or obligations authorized by subdivision (d), shall be contained in the budget submitted for that fiscal year by the Governor pursuant to Section 12 of Article IV of the Constitution, and shall be subject to Article 2 (commencing with Section 13320) of Chapter 3 of Part 3 of Division 3 of Title 2 of the Government Code.

(c) Moneys in the State University Continuing Education Revenue Fund may be invested by the Treasurer, upon approval of the trustees, in those eligible securities listed in Section 16430 of the Government Code. All interest or other earnings received pursuant to the investments shall be deposited to the credit of the State University Continuing Education Revenue Fund.

(d) All revenues received by the trustees under this section may be pledged for the acquisition, construction, and improvement of facilities for extension programs, special session, and other self-supporting instructional programs pursuant to the State

University Revenue Bond Act of 1947 (Article 2 (commencing with Section 90010) of Chapter 8), and may also be pledged to supplement other revenue funded projects relating to debt obligations issued by the trustees pursuant to the State University Revenue Bond Act of 1947.

SEC. 7. Section 90000 of the Education Code is amended to read:

90000. Student housing facilities may be established and maintained at any state university for the accommodation of students of the university.

SEC. 8. Section 90001 of the Education Code is amended to read:

90001. The trustees may require unmarried minor students of the state university, not living with a parent or guardian, to reside in private homes or other dwellings approved by the university, or to occupy student housing facilities provided at the university by the state.

SEC. 9. Section 90011 of the Education Code is amended to read:

90011. (a) The following terms wherever used or referred to in this article, or in any indenture entered into pursuant hereto, shall have the following meanings, respectively, unless a different meaning appears from the context:

(1) "Board" means the Trustees of the California State University.

(2) "Bonds" or "revenue bonds" means the written evidence of any obligation, other than revenue bond anticipation notes, issued by the board, payment of which is secured by a pledge of revenues or any part of revenues, as provided in this article, in order to obtain funds with which to carry out the purposes of this article, irrespective of the form of the obligations.

(3) The "holder of bonds" or "bondholder" or any similar term means any person who shall be the bearer of any outstanding revenue bond or bond registered to bearer or not registered or the registered owner of any outstanding revenue bond or bond that shall at the time be registered other than to the bearer.

(4) "Indenture" means an agreement entered into by the board pursuant to which revenue bonds are issued, regardless of whether the agreement is expressed in the form of a resolution of the board or by other instrument.

(5) "Notes" and "revenue bond anticipation notes" mean the written evidence of any obligation issued by the board, pursuant to Section 90013, in anticipation of the sale of revenue bonds, for the purpose of obtaining funds to carry out the purposes of this article.

(6) "Person" includes any individual, firm, corporation, association, copartnership, trust, business trust or receiver or trustee or conservator for any thereof, but does not include this state or any public corporation, political subdivision, city, county, district, or any agency thereof or of this state.

(7) "Project" means any one or more dormitories or other housing facilities, boarding facilities, student union or activity facilities,



vehicle parking facilities, alternative transportation programs, or any other auxiliary or supplementary facilities for individual or group accommodation, owned or operated or authorized to be acquired, constructed, furnished, equipped, and operated by the board for use by students, faculty members, or other employees of any one or more campuses of the California State University, or a combination of those facilities, which may include facilities already completed and facilities authorized for future completion, or any other facilities designated by the board as a project in providing for the issuance of revenue bonds or notes.

(8) “Revenues” mean and include any and all fees, rates, rentals, and other charges received or receivable in connection with, and any and all other incomes and receipts of whatever kind and character derived by, the board from the operation of, or arising from, a project, including any revenue that may have been, or may be, impounded or deposited in any fund in the State Treasury created by this article or in any other fund or account pursuant to law for the security of any notes or bonds issued hereunder, or for the purpose of providing for the payment thereof, or the interest thereon.

(9) “State university” and “campus of the California State University” means any of the institutions included within the California State University, as listed in Section 89001.

(b) As used in this article:

(1) The present tense includes the past and future tenses, and the future tense includes the present tense.

(2) The masculine gender includes the feminine and neuter.

(3) The singular number includes the plural, and the plural includes the singular.

(4) “Shall” is mandatory, and “may” is permissive.

SEC. 10. It is the intent of the Legislature that, in enacting this act, the financial plan for each individual project funded under the authority provided by the State University Revenue Bond Act of 1947 (Article 2 (commencing with Section 90010) of Chapter 8 of Part 55 of the Education Code) illustrates that the project will generate revenue sufficient to pay the debt service costs associated with the project.